

# TRANSPORT COUNSEL PC

ATTORNEYS AT LAW



2 33575

December 21, 2012

**BY HAND**

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E. Street, SW  
Washington, DC 20423-0001

Re: STB Finance Docket No. 35710, Heart of Texas Railroad, L.P. -- Acquisition and  
Operation Exemption -- Gulf Colorado & San Saba Railway Company

Dear Ms. Brown,

Enclosed for filing the above-referenced proceeding are an original and 10 copies of the verified notice of exemption of Heart of Texas Railroad, L.P., pursuant to 49 C.F.R. § 1150.31, as well as a check in the amount of \$1,800 to cover the cost of the filing.

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy.

Respectfully submitted,

Mark H. Sidman

**FILED**

DEC 21 2012

**SURFACE  
TRANSPORTATION BOARD**

**ENTERED  
Office of Proceedings**

DEC 21 2012

**Part of  
Public Record**

**FEE RECEIVED**

DEC 21 2012

**SURFACE  
TRANSPORTATION BOARD**

**HEART OF TEXAS RAILROAD, L.P.  
-ACQUISITION AND OPERATION EXEMPTION-  
GULF COLORADO & SAN SABA RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 C.F.R. § 1150.31**

**STB FINANCE DOCKET NO. 35710**

**Applicant's name and current mailing address:**

Heart of Texas Railroad, L.P.  
c/o Bruce L. James, Vice President  
301 Commerce Street, Suite 3500  
Fort Worth, TX 76102

**Applicant's representative to receive correspondence.**

Rose-Michele Nardi  
Transport Counsel PC  
1701 Pennsylvania Ave., NW  
Suite 300  
Washington, DC 20006  
(202) 349-3660

**Information concerning the agreement.**

On July 3, 2012, Gulf Colorado & San Saba Railway Corporation, a common carrier railroad (the "Seller"), filed a voluntary chapter 11 bankruptcy petition. On July 31, 2012, Ronald Hornberger was appointed Chapter 11 Trustee of the Seller's bankruptcy estate. The Heart of Texas Railroad, L.P. (the "Company"), a non-carrier new entity, and Seller have entered into a purchase agreement, dated as of December 17, 2012, whereby the Company will acquire Seller's interest in certain rail property.

**Operator of the property.**

The Company will be the operator of the rail property.

**Brief Summary of the proposed transaction:**

The address of the Seller is Gulf Colorado & San Saba Railway Company, c/o Ronald Hornberger, Chapter 11 Trustee, 70 NE Loop 410, Suite 1100, San Antonio, TX 78216. The Company and the Seller expect to consummate the transaction described in the purchase agreement on or about January 28, 2013, but will in no event consummate the transaction prior to January 20, 2013. Pursuant to the purchase agreement, the Company

will acquire Seller's interest in the Subject Line, which totals approximately 67.5 miles of rail line. The Subject Line extends from approximate railroad milepost 0.0 at Lometa, TX to approximate railroad milepost 67.5 at Brady, Texas, and runs through Lampasas, Mills, San Saba and McCullough Counties in Texas. A map of the Subject Line is attached hereto as Exhibit A.

**Interchange Commitments:**

Neither the acquisition nor operation of the Subject Line involves a provision or agreement that may limit future interchange with a third-party connecting carrier.

**Environmental Issues:**

Environmental documentation normally need not be prepared for an acquisition that does not involve the diversion from rail to motor carriage of more than (A) 1,000 rail carloads a year, or (B) an average of 50 rail carloads per mile per year for any part of the affected line (49 C.F.R. § 1105.7(e)(4)), on the one hand, or that does not involve (X) an increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, (Y) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (Z) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment (49 C.F.R. § 1105.7(e)(5)), on the other hand. *See* 49 C.F.R. § 1105.6(c)(2).

The Company's acquisition of the Subject Line from Seller will not result in changes in carrier operations that exceed the above-listed thresholds. Therefore, no environmental documentation is necessary for this Verified Notice of Exemption.

Transactions involving a sale, lease or transfer of a rail line for the purpose of continued rail operations are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a) if termination of such operations requires further approval of the Surface Transportation Board (the "Board") and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. *See* 49 C.F.R. § 1105.8(b)(1).

Common carrier service on the Subject Line will be continued. The Company has no plans to dispose of or alter properties subject to Board jurisdiction that are 50 or more years old. Therefore, a historic report is not necessary for this filing. *See* 49 C.F.R. § 1105.8(a), (b).

**Certificate of projected revenue:**

In accordance with 49 C.F.R. § 1150.33(g), a certificate concerning the Company's projected revenue is attached hereto as Exhibit B.

Labor notice.

The projected annual revenue of the Company will not exceed 5 million dollars.

Respectfully submitted,

*Rose-Michele Nardi/mns*

Rose-Michele Nardi  
Transport Counsel PC  
1701 Pennsylvania Ave., NW  
Suite 300  
Washington, DC 20006

Attorneys for:

Heart of Texas Railroad, L.P.

Dated: December 21, 2012

**HEART OF TEXAS RAILROAD, L.P.  
-ACQUISITION AND OPERATION EXEMPTION-  
GULF COLORADO & SAN SABA RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 C.F.R. § 1150.31**

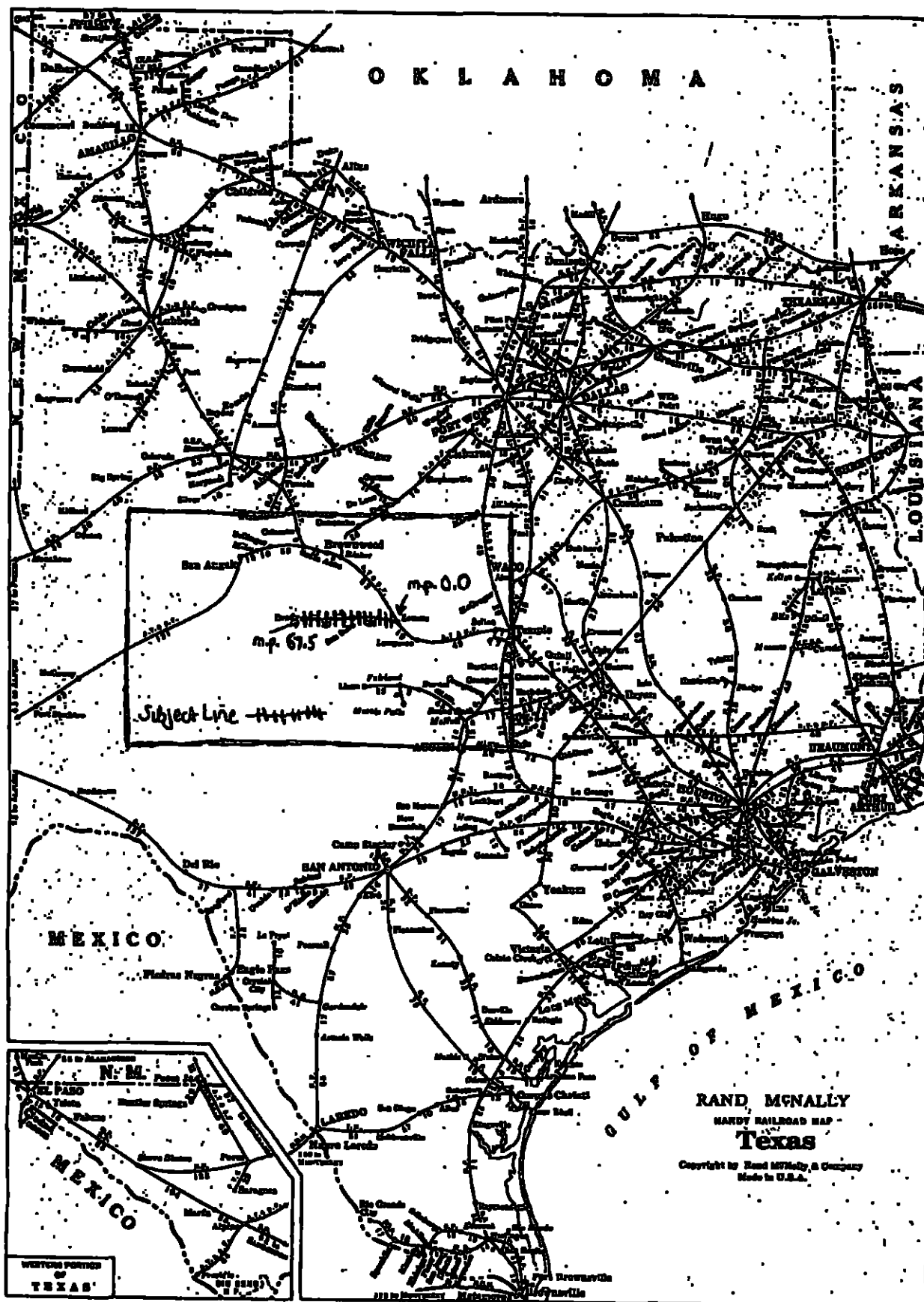
**STB FINANCE DOCKET NO. 35710**

---

**EXHIBIT A**

---

**MAP OF SUBJECT LINE**



**HEART OF TEXAS RAILROAD, L.P.  
-ACQUISITION AND OPERATION EXEMPTION-  
GULF COLORADO & SAN SABA RAILWAY COMPANY**

**VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 C.F.R. § 1150.31**

**STB FINANCE DOCKET NO. 35710**

---

**EXHIBIT B**

---

**CERTIFICATE OF REVENUE**

**CERTIFICATE OF REVENUE**

In accordance with 49 C.F.R. § 1150.33(g), I do hereby certify that the revenue projected for Heart of Texas Railroad, L.P. does not exceed that which would qualify it as a Class III rail carrier.

A handwritten signature in black ink, appearing to read "Bruce L. James, V.P.", written over a horizontal line.

Bruce L. James, Vice President  
Heart of Texas Railroad Services, LLC,  
General Partner, Heart of Texas Railroad, L.P.

Dated: December 21, 2012



**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

---

**HEART OF TEXAS RAILROAD, L.P.  
--ACQUISITION AND OPERATION EXEMPTION--  
GULF COLORADO & SAN SABA RAILWAY COMPANY**

---

**STB FINANCE DOCKET NO. 35710**

---

**VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 C.F.R. § 1150.31**

---

**CAPTION SUMMARY**

Heart of Texas Railroad, L.P., a noncarrier, has filed a notice of exemption under 49 C.F.R. § 1150.31 to acquire from Gulf Colorado & San Saba Railway Company and operate approximately 67.5 miles of rail line, which extends from approximate railroad milepost 0.0 at Lometa, TX to approximate railroad milepost 67.5 at Brady, Texas, and runs through Lampasas, Mills, San Saba and McCulloch Counties in Texas.

Comments must be filed with the Surface Transportation Board and served on Rose-Michele Nardi, Transport Counsel PC, 1701 Pennsylvania Ave., NW, Suite 300, Washington, D.C. 20006.


This notice is filed under 49 C.F.R. § 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Decided:

By the Board

### VERIFICATION

I, Bruce L. James, certify under penalty of perjury that the foregoing notice of exemption is true and correct to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to cause this Verified Notice of Exemption to be filed.

  
Bruce L. James, Vice President  
Heart of Texas Railroad Services, LLC,  
General Partner, Heart of Texas Railroad, L.P.

Dated: December 21, 2012